

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
OFFICE OF THE CLERK**



June 30, 2006

**CLERK'S NOTICE 06-07
Lubbock Division Only**

Pilot Program for Chapter 13 Cases Filed in Lubbock Division

Effective July 1, 2006, as a pilot program for Lubbock Division chapter 13 cases, debtors with a mortgage arrearage will be required to make their mortgage payments through the Chapter 13 Trustee. This pilot program applies only to cases filed on or after July 1, 2006.

The Chapter 13 Trustee will file with the Court a certificate confirming that the debtor(s) is/are in arrears to a creditor holding a claim secured by real property that is the debtor's(s') principal residence. The Court will then enter an Order to Pay Current Mortgage Payments Through Chapter 13 Trustee.

Real property creditors filing a proof of claim in these cases must include an Addendum for Residential Home Mortgage Debt Paid Through the Plan, in addition to other requirements listed in the Order.

Samples of the Order and Addendum documents are attached. If you have further questions concerning this pilot program, please contact the Standing Chapter 13 Trustee Robert Wilson.

FOR THE COURT
Tawana C. Marshall
Clerk of Court

SAMPLE COPY -- To be uploaded by Lubbock Chapter 13 Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION

IN RE:

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CASE NO. _____

DEBTOR(S)

**ORDER TO PAY CURRENT MORTGAGE PAYMENTS THROUGH THE CHAPTER
13 TRUSTEE**

Robert B. Wilson, the Standing Chapter 13 Trustee ("Trustee"), has certified to the Court that the debtor(s) _____ (name of debtor(s)) is/are in arrears as of the petition filing date to _____ (name of creditor) ("Real Property Creditor"), a creditor holding a claim secured by real property that is the debtor's principal residence. The bankruptcy judges in the Northern District of Texas have designated this Court to implement a pilot program in which chapter 13 debtors make payments on secured claims secured by the debtor's(s') principal residence through the Chapter 13 Trustee, as opposed to so-called "direct payments." The Court has determined that in implementing such a program, it will require that, for all chapter 13 cases filed on or after July 1, 2006, regular payments owed by a debtor to a creditor holding a claim secured by the debtor's principal residence be made by the debtor to the Trustee for payment through the chapter 13 plan if the debtor is (i) in arrears as of the petition date, or (ii) goes into arrears after the chapter 13 filing. Accordingly, upon the Trustee's certification, it is hereby ORDERED as follows:

1. The regular payment amount owing to Real Property Creditor, inclusive of Trustee's fees, shall be included in the plan payment to be paid by the debtor(s) to the Trustee.

2. In the event the monthly payment increases due to either increased escrow requirements or an increase in an adjustable interest rate, debtor's(s') plan payment to the Trustee shall increase by the same amount plus the Trustee's fee.

3. The Trustee is authorized to deduct from any payments collected pursuant to § 1326 of the Bankruptcy Code the authorized percentage fee on the funds distributed as necessary costs and expenses, together with any fee, charge or amount required under § 1326.

4. Real Property Creditor shall,

- (i) in any proof of claim filed in this case, include the principal and interest arrearage plus any escrow shortage that exists up to and including the petition filing date;
- (ii) include the Proof of Claim Addendum for Residential Home Mortgage Debt Paid Through the Chapter 13 Trustee¹ along with any proof of claim filed in this case and any amendment thereto;
- (iii) timely notify the Trustee prior to the effective date of any change of payment amount (inclusive of escrow changes) and/or interest rate; and
- (iv) timely notify the Trustee prior to the effective date of any change in the holder/servicer of the note and of any associated remittance address changes.

5. The Trustee is authorized within the Trustee's claim records and computer system to add an amount equal to [Trustee will enter "one" or "two" here] full regular monthly payment(s) inclusive of escrow deposits and one [Trustee will enter "one" or "two" here] associated late fee(s) to the Real Property Creditor's claim for arrearages.

6. From the debtor's (s') payments, the Trustee will hold in reserve a full monthly payment to be made to Real Property Creditor each month post-confirmation until such time as a proof of claim is filed, unless otherwise ordered by the Court.

7. If the debtor(s) makes all payments required under the chapter 13 plan (and thus under this order), any order of discharge issued by this Court may provide that all pre-petition and/or post-petition defaults on the debtor's(s') residential home mortgage debt are deemed cured and all payments accrued on such debt through the date of plan completion are current, with no escrow balance, late charges, costs or attorney's fees owing.

End of Order

¹The Proof of Claim Addendum for Residential Home Mortgage Debt Paid Through the Chapter 13 Trustee is a form promulgated by the Standing Chapter 13 Trustee which sets forth the status and pertinent information concerning the residential home mortgage debt.

PROOF OF CLAIM ADDENDUM FOR
RESIDENTIAL HOME MORTGAGES PAID THROUGH THE CHAPTER 13
TRUSTEE

Debtor Name(s) _____ Bk Case # _____

Address of Mortgaged Property _____

Legal Description: _____
Lot Block Subdivision

Creditor Name _____ Debtor Acct # _____

Payment Address _____

City _____ State _____ Zip _____ Phone _____

Creditor Attorney Name _____

Attorney Address _____

City _____ State _____ Zip _____ Phone _____

Mortgage Information

Current Principal Balance _____

Regular Monthly Payment Amount _____ Current Interest Rate _____

Is this a variable interest loan? ☐ Yes ☐ No

If yes, date of next adjustment _____

Are property taxes included in the monthly payment? ☐ Yes ☐ No

Is insurance included in the monthly payment? ☐ Yes ☐ No

Is the loan due in full and payable in less than 5 years? ☐ Yes ☐ No

If yes, due date _____

Arrearage Calculation

_____ monthly payments of _____

_____ monthly payments of _____

_____ monthly payments of _____

Late fees of _____ per month _____

Escrow shortage: tax amt _____ insur. amt _____

Attorney fees for _____

Other (describe) _____

Other (describe) _____

Total arrearage amount to be cured in plan _____

Signature _____

Date _____

Phone _____

Creditor must notice Trustee of any and all changes to monthly mortgage payment.